

**INSTRUCTIONS FOR
SCHEDULE H (HOMEOWNER
AND RENTAL PROPERTY TAX CREDIT)**

You may qualify for the property tax credit even if you are not required to file a D.C. Individual Income Tax Return. If you are required to file a D.C. Individual Income Tax Return, you must file a Form D-40 together with a Schedule H to claim a property tax credit. If you are not required to file a D-40 you may file the Schedule H separately.

Who Qualifies?

To qualify for the Property Tax Credit you must meet the following criteria.

1. You must have been a District resident for the entire year and lived in the property(ies) you owned or rented during 2001.
2. Your household gross income must have been \$20,000 or less for the year.
3. If you were not age 65 or older on or before December 31, 2001, you must not have been claimed as a dependent on someone else's 2001 federal, state, or D.C. Income Tax Return; and
4. The house or apartment that was your home must not have been part of a public housing dwelling. If you rented from a landlord whose property was exempt from real property taxes, or the landlord paid a percentage of rental income to the District in lieu of real estate tax, you cannot claim the property tax credit.

Use the Property Tax Credit - Table A if you are under age 62 and are not blind or disabled.

Use the Property Tax Credit -Table B if you are blind or disabled. You may also use the Property Tax Credit Table B if you were age 62 or older and you, together with your spouse (if married), provided 50% or more of the household gross income.

A Property Tax Credit may not be claimed on behalf of a deceased taxpayer who died on or before December 31, 2001.

How To File

If you are required to file a Form D-40, your completed Schedule H must be attached to your Form D-40. If you are not required to file a Form D-40, the Schedule H may be mailed by itself to the Office of Tax and Revenue, Ben Franklin Station, P.O. Box 7861, Washington, D.C., 20044-7861 on or before April 15, 2002.

Schedule H is due on or before April 15, 2002. However, a reasonable extension of time to file may be granted if it is filed with your D-40. See Page 5 of these instructions to find out how to request an Extension of Time to File your D-40.

NOTE: District law requires you to furnish your social security number in the space provided on Schedule H. This number will be used for identification of your tax account with the District and for other tax administration purposes only.

Important Definitions

1. The word "home" means your dwelling, whether owned or rented, and the land surrounding it as reasonably necessary for use of the dwelling as a home. The word "home" also includes a multi-unit or a multi-purpose building and a part of the land on which it is located.
2. The word "household" means all the individuals living in the home.
3. The term "household gross income" means the total of all income received by all the individuals living in the home, including cash distributions from a business or investment entity in which any member of the household has an interest.
4. The term "rent paid" is the amount paid by a claimant of the property tax credit to a landlord solely for the right of occupancy of a home in the District. "Rent paid" does not include advance rental payments for another period; rental deposits, whether or not expressly set out in the rental agreement; any charges for medical services or food provided by the landlord; or payments made to a landlord for the right of occupancy of property which is exempt from the District's real property taxes.
5. The term "members of a household" means all individuals living in one household whether or not they are related. For example, two or more unrelated individuals sharing an apartment or house are members of a household.
6. The term "age 62 or older" means age 62 or older during 2001.
7. The word "blind" means a central visual acuity that does not exceed 20/200 in the better eye with correcting lenses; or visual acuity greater than 20/200, but accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.
8. The word "disabled" means unable to engage in any gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months. Certification of such physical or mental impairment by a licensed physician selected by the claimant at his or her own expense must be submitted each year. A claimant should use the Physician's Certification provided on Page 2 of Schedule H.

NOTE: The questions in Part I of Schedule H must be answered. Failure to do so will cause your claim for the credit to be disallowed until the information is furnished. You must indicate if you were the recipient of rent supplements during 2001. If you claim the property tax credit under Section B of Schedule H, you must check the appropriate block(s) as to whether you are age 62 or older, blind, or disabled.

Complete either Section A or Section B (as appropriate) to calculate your property tax credit. Do **not** complete both sections.

**ONLY ONE MEMBER OF A HOUSEHOLD
CAN CLAIM THE
PROPERTY TAX CREDIT**

Taxpayers must complete page two of schedule H before completing page one.

INSTRUCTIONS FOR PAGE TWO OF SCHEDULE H

Line 17 – Household Gross Income

You must report the 2001 income of every member of the household for each income category listed. Income must be reported whether or not it is subject to District Income Tax, otherwise, the claim for property tax credit will be disallowed.

1. List in Column (1) all the income of the applicant (claimant).
2. List in Column (2) all the income of the claimant's spouse.
3. List in Column (3) the total gross income of all other members of the household.

If you live in an apartment, or house, or room where you share the kitchen and bath facilities, this is a shared arrangement and is considered one household. The income of all members of such household must be reported on Schedule H for purposes of calculating the credit. However, if you are a tenant in a house, apartment, or room that has a separate kitchen and/or bathroom, you would be considered to be the sole claimant.

If you rent a portion of your home, be aware of the above instructions as they apply to you. Thus, if you share a kitchen and bath with a tenant, the tenant's income must be reported by you in your Schedule H.

If you sublet to another individual, a separate room or apartment within your place of residence, the portion of rent you pay that applies to the sublet space is not includible in the computation of the property tax credit. The income you receive from subletting is subject to tax and must be reported on your Form D-40 - Individual Income Tax Return.

Line 18: Summary of Household Gross Income Schedule

Enter the totals from Line 17, Columns (1), (2) and (3) respectively on Lines 18 (a), (b) and (c). Add Lines 18(a), (b) and (c) and enter the total on Line 18(d).

INSTRUCTIONS FOR PAGE ONE OF SCHEDULE H

Section A

Line 6 – Enter the amount of the household gross income from Line 18 (d), Schedule H. If this amount exceeds \$20,000, you are not entitled to the credit.

Line 7(a) – If you owned your home in the District during all of 2001, enter on Line 7(a) the amount of the real property taxes you paid.

NOTE: *Your property tax credit must be computed based on your housing status (rent/own) on December 31, 2001.*

The deferred portion of your real property tax, as defined under D.C. Code §47-845, may be included as part of the real property tax in computing the property tax credit.

Line 7(b) – If you were a tenant in the District for all of 2001, enter 15% of any rent paid (rent multiplied by .15). If you rented more than one home in the District during 2001, divide the total amount you paid to your last landlord during 2001 by the number of months of occupancy and multiply the results by 12. Multiply this result by 15% (.15) and enter the figure on Line 7(b).

Line 8 – Find the amount of your property tax credit from the Property Tax Credit-Table A.

The property tax credit must be reduced by any rent supplements received during 2001.

Section B

Line 12 – Enter the total household gross income from Line 18(d), Schedule H. If this amount exceeds \$20,000, you are not entitled to claim the credit.

Line 13(a) – If you owned your home in the District for all of 2001, enter on Line 13(a) the real property taxes paid.

Line 13(b) – If you were a tenant in the District for all of 2001, enter 15% of rent paid (rent multiplied by .15). If you rented more than one home in the District during 2001, divide the total amount paid to your last landlord during 2001 by the number of months of occupancy. Multiply the result by 12, multiply this result by 15% (.15). Enter the figure on Line 13(b).

Please be careful in computing this figure because if it is not correct the processing of your return will be delayed.

If you claim the property tax credit based on rent paid, but the rent paid exceeds the total household gross income, the property tax credit claim will be disallowed unless adequate documentation is provided to support the claim.

Line 14 – Find the amount of your property tax credit from the Property Tax Credit-Table B. The property tax credit must be reduced by any rent supplements received during 2001.



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17. HOUSEHOLD GROSS INCOME Include the total income of all members living in the household which you own or rent	Whole Dollar Amounts Only			Office Use
	(1) CLAIMANT	(2) SPOUSE	(3) ALL OTHERS	
SOURCES OF INCOME OR LOSS				
(a) Wages, salaries, tips, bonuses, commissions, fees				
(b) Dividends and Interest				
(c) D.C. Lottery winnings				
(d) Business Income or Loss				
(e) Taxable portion of pensions and annuities				
(f) Capital Gain				
(g) Alimony received				
(h) Net Rental Income				
(i) Social Security and/or Railroad Retirement Benefits				
(j) Nontaxable portion of Pensions and Annuities or exclusions				
(k) Unemployment Insurance and/or Worker's Compensation				
(l) Support money and/or Public Assistance Grants				
(m) Interest on U.S. Obligations				
(n) Disability income exclusion, Form D-2440				
(o) Non-taxable portion of military compensation				
(p) Fellowship and scholarship awards and grants				
(q) Life insurance proceeds				
(r) Veteran's pensions and Disability payments				
(s) GI Bill benefits				
(t) Income subject to Unincorporated Business Franchise Tax				
(u) Cash distributions				
(v) Other (specify)				
17 TOTAL HOUSEHOLD GROSS INCOME				

18. HOUSEHOLD GROSS INCOME SUMMARY			
(a) Total income of claimant from Column (1)	(a)		.00
(b) Total income of spouse from Column (2)	(b)		.00
(c) Total income of all others from Column (3)	(c)		.00
(d) Total household gross income (add Lines 18 (a), (b) and (c)). Enter here and on Line 6, Section A or Line 12, Section B, whichever is applicable	(d)		.00

19. LIST THE NAMES AND SOCIAL SECURITY NUMBERS OF ALL PERSONS WHOSE INCOME IS INCLUDED IN COLUMN 3 ABOVE			
Name	Social Security Number	Name	Social Security Number
	— —		— —
	— —		— —

How to Determine Your Property Tax Credit Use the Property Tax Credit tables on pages 38-44 of the D-40 Individual Income Tax Booklet.
If you are blind or disabled, you must have the certification below completed for each year that you claim the Property Tax Credit.

Physician's Certification of Blind or Disabled Claimant

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I certify that the above-named taxpayer (check all appropriate boxes — see instructions below):
 (i) is blind
 (ii) his/her physical or mental impairment is expected to last continuously for twelve months or more.
 (iii) was physically or mentally impaired on January 1, 2001

Name of Physician _____

Physician's Address _____

Physician's Signature _____	License Number _____	Date _____
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Instructions for Physician's Certification
A. Definition of Blind - Blind means central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or visual acuity is greater than 20/200, but is accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.
B. Definition of Disabled - Disabled means unable to engage in any gainful activity by reason of a medically determinable physical or mental impairment which can be expected to last continuously for twelve months or more.